

Phase II licenses commenced on September 15, 1998, and closed on October 22, 1998.¹⁴⁸ In the first auction, 908 licenses were auctioned in three different-sized geographic areas: three nationwide licenses, 30 Regional Economic Area Group (EAG) Licenses, and 875 Economic Area (EA) Licenses. Of the 908 licenses auctioned, 693 were sold.¹⁴⁹ Thirty-nine small businesses won 373 licenses in the first 220 MHz auction. A second auction included 225 licenses: 216 EA licenses and 9 EAG licenses. Fourteen companies claiming small business status won 158 licenses.¹⁵⁰ A third auction included four licenses: 2 BEA licenses and 2 EAG licenses in the 220 MHz Service. No small or very small business won any of these licenses.¹⁵¹

85. Private Land Mobile Radio (PLMR). PLMR systems serve an essential role in a range of industrial, business, land transportation, and public safety activities. These radios are used by companies of all sizes operating in all U.S. business categories, and are often used in support of the licensee's primary (non-telecommunications) business operations. For the purpose of determining whether a licensee of a PLMR system is a small business as defined by the SBA, we use the broad census category, "Cellular and Other Wireless Telecommunications." This definition provides that a small entity is any such entity employing no more than 1,500 persons.¹⁵² The Commission does not require PLMR licensees to disclose information about number of employees, so the Commission does not have information that could be used to determine how many PLMR licensees constitute small entities under this definition. We note that PLMR licensees generally use the licensed facilities in support of other business activities, and therefore, it would also be helpful to assess PLMR licensees under the standards applied to the particular industry subsector to which the licensee belongs.¹⁵³

86. The Commission's 1994 Annual Report on PLMRs¹⁵⁴ indicates that at the end of fiscal year 1994, there were 1,087,267 licensees operating 12,481,989 transmitters in the PLMR bands below 512 MHz. We note that any entity engaged in a commercial activity is eligible to hold a PLMR license, and that the revised rules in this context could therefore potentially impact small entities covering a great variety of industries.

87. Fixed Microwave Services. Fixed microwave services include common carrier,¹⁵⁵ private operational-fixed,¹⁵⁶ and broadcast auxiliary radio services.¹⁵⁷ At present, there are approximately 22,015

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¹⁴⁷ See Letter to Daniel Phythyon, Chief, Wireless Telecommunications Bureau, FCC, from Aida Alvarez, Administrator, SBA, (Jan. 6, 1998).

¹⁴⁸ See generally "220 MHz Service Auction Closes," *Public Notice*, 14 FCC Rcd 605 (1998).

¹⁴⁹ See "FCC Announces It is Prepared to Grant 654 Phase II 220 MHz Licenses After Final Payment is Made," *Public Notice*, 14 FCC Rcd 1085 (1999).

¹⁵⁰ See "Phase II 220 MHz Service Spectrum Auction Closes," *Public Notice*, 14 FCC Rcd 11218 (1999).

¹⁵¹ See "Multi-Radio Service Auction Closes," *Public Notice*, 17 FCC Rcd 1446 (2002).

¹⁵² See 13 C.F.R. § 121.201, NAICS code 517212.

¹⁵³ See generally 13 C.F.R. § 121.201.

¹⁵⁴ Federal Communications Commission, 60th Annual Report, Fiscal Year 1994, at ¶ 116.

¹⁵⁵ See 47 C.F.R. §§ 101 et seq. (formerly, Part 21 of the Commission's Rules) for common carrier fixed microwave services (except Multipoint Distribution Service).

¹⁵⁶ Persons eligible under parts 80 and 90 of the Commission's Rules can use Private Operational-Fixed Microwave services. See 47 C.F.R. Parts 80 and 90. Stations in this service are called operational-fixed to distinguish them from common carrier and public fixed stations. Only the licensee may use the operational-fixed station, and only for communications related to the licensee's commercial, industrial, or safety operations.

¹⁵⁷ Auxiliary Microwave Service is governed by Part 74 of Title 41 of the Commission's Rules. See 41 C.F.R. Part (continued...)

common carrier fixed licensees and 61,670 private operational-fixed licensees and broadcast auxiliary radio licensees in the microwave services. The Commission has not created a size standard for a small business specifically with respect to fixed microwave services. For purposes of this analysis, the commission uses the SBA small business size standard for the category “Cellular and Other Telecommunications,” which is 1,500 or fewer employees.”¹⁵⁸ The Commission does not have data specifying the number of these licensees that have no more than 1,500 employees, and thus are unable at this time to estimate with greater precision the number of fixed microwave service licensees that would qualify as small business concerns under the SBA’s small business size standard. Consequently, the Commission estimates that there are **22,015 or** fewer common carrier fixed licensees and 61,670 or fewer private operational-fixed licensees and broadcast auxiliary radio licensees in the microwave services that may be small and may be affected by the rules and policies proposed herein. We note, however, that the common carrier microwave fixed licensee category includes some large entities.

88. **39 GHz Service.** The Commission created a special small business size standard for 39 GHz licenses – an entity that has average gross revenues of \$40 million or less in the three previous calendar years.¹⁵⁹ An additional size standard for “very small business” is: an entity that, together with affiliates, has average gross revenues of not more than \$15 million for the preceding three calendar years.¹⁶⁰ The SBA has approved these small business size standards.¹⁶¹ The auction of the 2,173 39 GHz licenses began on April 12, 2000 and closed on May 8, 2000. The 18 bidders who claimed small business status won 849 licenses.

89. **Local Multipoint Distribution Service.** Local Multipoint Distribution Service (LMDS) is a fixed broadband point-to-multipoint microwave service that provides for two-way video telecommunications.¹⁶² The auction of the 986 Local Multipoint Distribution Service (LMDS) licenses began on February 18, 1998 and closed on March 25, 1998. The Commission established a small business size standard for LMDS licenses as an entity that has average gross revenues of **less** than \$40 million in the three previous calendar years.¹⁶³ An additional small business size standard for “very small business” was added as an entity that, together with its affiliates, has average gross revenues of not more than \$15 million

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74. This service is available to licensees of broadcast stations and to broadcast and cable network entities. Broadcast auxiliary microwave stations are used for relaying broadcast television signals from the studio to the transmitter, or between two points such as a main studio and an auxiliary studio. The service also includes mobile television pickups, which relay signals from a remote location back to the studio.

¹⁵⁸ 13 CFR § 121.201, NAICS code 517212

¹⁵⁹ See Amendment of the Commission’s Rules Regarding the 37.0-38.6 GHz and 38.6-40.0GHz Bands, ET Docket No. 95-183, *Report and Order*, 12 FCC Rcd 18600 (1997).

¹⁶⁰ *Id.*

¹⁶¹ See Letter to Kathleen O’Brien Ham, Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, FCC, from Aida Alvarez, Administrator, SBA (Feb. 4, 1998); See Letter to Margaret Wiener, Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, FCC, from Hector Barreto, Administrator, SBA, (Jan. 18, 2002).

¹⁶² See Rulemaking to Amend Parts 1, 2, 21, 25, of the Commission’s Rules to Redesignate the 27.5-29.5 GHz Frequency Band, Reallocate the 29.5-30.5 Frequency Band, to Establish Rules and Policies for Local Multipoint Distribution Service and for Fixed Satellite Services, *Second Report and Order, Order on Reconsideration, and Fifth Notice of Proposed Rule Making*, 12 FCC Rcd 12545, 12689-90, para. 348 (1997).

¹⁶³ See Rulemaking to Amend Parts 1, 2, 21, 25, of the Commission’s Rules to Redesignate the 27.5-29.5 GHz Frequency Band, Reallocate the 29.5-30.5 Frequency Band, to Establish Rules and Policies for Local Multipoint Distribution Service and for Fixed Satellite Services, *Second Report and Order, Order on Reconsideration, and Fifth Notice of Proposed Rule Making*, 12 FCC Rcd 12545, 12689-90, para. 348 (1997).

for the preceding three calendar years.”¹⁶⁴ The SBA has approved these small business size standards in the context of LMDS auctions.¹⁶⁵ There were 93 winning bidders that qualified as small entities in the LMDS auctions. A total of 93 small and very small business bidders won approximately 277 A Block licenses and 387 B Block licenses. On March 27, 1999, the Commission re-auctioned 161 licenses; there were 32 small and very small business winning that won 119 licenses.

90. **218-219 MHz Service.** The first auction of 218-219 MHz (previously referred to as the Interactive and Video Data Service or IVDS) spectrum resulted in 178 entities winning licenses for 594 Metropolitan Statistical Areas (MSAs).¹⁶⁶ Of the 594 licenses, 567 were won by 167 entities qualifying as a small business. For that auction, we defined a small business as an entity that, together with its affiliates, has no more than a \$6 million net worth and, after federal income taxes (excluding any carry over losses), has no more than \$2 million in annual profits each year for the previous two years.¹⁶⁷ In the 218-219 MHz Report and Order and Memorandum Opinion and Order, we defined a small business as an entity that, together with its affiliates and persons or entities that hold interests in such an entity and their affiliates, has average annual gross revenues not exceeding \$15 million for the preceding three years.¹⁶⁸ A very small business is defined as an entity that, together with its affiliates and persons or entities that hold interests in such an entity and its affiliates, has average annual gross revenues not exceeding \$3 million for the preceding three years.¹⁶⁹ The SBA has approved of these definitions.¹⁷⁰ A subsequent auction is not yet scheduled. Given the success of small businesses in the previous auction, and the prevalence of small businesses in the subscription television services and message communications industries, we assume for purposes of this analysis that in future auctions, many, and perhaps most, of the licenses may be awarded to small businesses.

91. **Location and Monitoring Service (LMS).** Multilateration LMS systems use non-voice radio techniques to determine the location and status of mobile radio units. For purposes of auctioning LMS licenses, the Commission has defined “small business” as an entity that, together with controlling interests and affiliates, has average annual gross revenues for the preceding three years not exceeding \$15 million.¹⁷¹ A “very small business” is defined as an entity that, together with controlling interests and affiliates, has average annual gross revenues for the preceding three years not exceeding \$3 million.¹⁷²

¹⁶⁴ See Rulemaking to Amend Parts 1, 2, 21, 25, of the Commission’s Rules to Redesignate the 27.5-29.5 GHz Frequency Band, Reallocate the 29.5-30.5 Frequency Band, to Establish Rules and Policies for Local Multipoint Distribution Service and for Fixed Satellite Services, *Second Report and Order, Order on Reconsideration, and Fifth Notice of Proposed Rule Making*, 12 FCC Rcd 12545, 12689-90, para. 348 (1997).

¹⁶⁵ See Letter to Dan Phythyon, Chief, Wireless Telecommunications Bureau, FCC, from Aida Alvarez, Administrator, SBA (Jan. 6, 1998).

¹⁶⁶ See “Interactive Video and Data Service (IVDS) Applications Accepted for Filing,” *Public Notice*, 9 FCC Rcd 6227 (1994).

¹⁶⁷ Implementation of Section 309(j) of the Communications Act – Competitive Bidding, *Fourth Report and Order*, 9 FCC Rcd 2330 (1994).

¹⁶⁸ Amendment of Part 95 of the Commission’s Rules to Provide Regulatory Flexibility in the 218-219 MHz Service, *Report and Order and Memorandum Opinion and Order*, 15 FCC Rcd 1497 (1999).

¹⁶⁹ *Id.*

¹⁷⁰ See Letter to Daniel Phythyon, Chief, Wireless Telecommunications Bureau, FCC, from Aida Alvarez, Administrator, SBA, (Jan. 6, 1998).

¹⁷¹ Amendment of Part 90 of the Commission’s Rules to Adopt Regulations for Automatic Vehicle Monitoring Systems, *Second Report and Order*, 13 FCC Rcd 15182, 15192 ¶ 20 (1998); see also 47 C.F.R. § 90.1103.

¹⁷² Amendment of Part 90 of the Commission’s Rules to Adopt Regulations for Automatic Vehicle Monitoring Systems, *Second Report and Order*, 13 FCC Rcd at 15192, para. 20; see also 47 C.F.R. § 90.1103.

These definitions have been approved by the SBA.¹⁷³ An auction for LMS licenses commenced on February 23, 1999, and closed on March 5, 1999. Of the 528 licenses auctioned, 289 licenses were sold to four small businesses,

92. Rural Radiotelephone Service. The Commission has not adopted a size standard for *small businesses specific to the Rural Radiotelephone Service.*¹⁷⁴ A significant subset of the Rural Radiotelephone Service is the Basic Exchange Telephone Radio System (BETRS).¹⁷⁵ In the present context, we will use the SBA's small business size standard applicable to "Cellular and Other Wireless Telecommunications," i.e., an entity employing no more than 1,500 persons.¹⁷⁶ There are approximately 1,000 licensees in the Rural Radiotelephone Service, and the Commission estimates that there are 1,000 or fewer small entity licensees in the Rural Radiotelephone Service that may be affected by the rules and policies proposed herein.

93. Air-Ground Radiotelephone Service.¹⁷⁷ We have previously used the SBA's small business definition applicable to "Cellular and Other Wireless Telecommunications," i.e., an entity employing no more than 1,500 persons.¹⁷⁸ There are approximately 100 licensees in the Air-Ground Radiotelephone Service, and under that definition, we estimate that almost all of them qualify as small entities under the SBA definition. For purposes of assigning Air-Ground Radiotelephone Service licenses through competitive bidding, the Commission has defined "small business" as an entity that, together with controlling interests and affiliates, has average annual gross revenues for the preceding three years not exceeding \$40 million.¹⁷⁹ A "very small business" is defined as an entity that, together with controlling interests and affiliates, has average annual gross revenues for the preceding three years not exceeding \$15 million.¹⁸⁰ These definitions were approved by the SBA.¹⁸¹ In May 2006, the Commission completed an auction of nationwide commercial Air-Ground Radiotelephone Service licenses in the 800 MHz band (Auction No. 65). On June 2, 2006, the auction closed with two winning bidders winning two Air-Ground Radiotelephone Services licenses. Neither of the winning bidders claimed small business status.

94. Aviation and Marine Radio Services. Small businesses in the aviation and marine radio services use a very high frequency (VHF) marine or aircraft radio and, as appropriate, an emergency position-indicating radio beacon (and/or radar) or an emergency locator transmitter. The Commission has not developed a small business size standard specifically applicable to these small businesses. For purposes of this analysis, we will use the SBA small business size standard for the category "Cellular and

¹⁷³ See Letter to Thomas Sugrue, Chief, Wireless Telecommunications Bureau, Federal Communications Commission, from Aida Alvarez, Administrator, Small Business Administration, dated Feb. 22, 1995.

¹⁷⁴ The service is defined in § 22.99 of the Commission's Rules, 47 C.F.R. § 22.99.

¹⁷⁵ BETRS is defined in §§ 22.757 and 22.759 of the Commission's Rules, 47 C.F.R. §§ 22.757 and 22.759.

13 C.F.R. § 121.201, NAICS code 517212.

¹⁷⁷ The service is defined in § 22.99 of the Commission's Rules, 47 C.F.R. § 22.99.

¹⁷⁸ 13 CFR § 121.201, NAICS codes 517212.

¹⁷⁹ Amendment of Part 22 of the Commission's Rules to Benefit the Consumers of Air-Ground Telecommunications Services, Biennial Regulatory Review – Amendment of Parts 1, 22, and 97 of the Commission's Rules, 20 FCC Rcd 19663 (2005) (Part 1 and 22 of the Commission's Rules to Adopt Competitive Bidding Rules for Cellular and Other Wireless Telecommunications Services, WT Docket Nos. 03-103 and 05-42, Order on Reconsideration and Reply, 20 FCC Rcd 19663 ¶¶ 28-42 (2005)).

¹⁸⁰ *Id.*

¹⁸¹ See Letter from Hector V. Barreto, Administrator, U.S. Small Business Administration, to Gary D. Michaels, Deputy Chief, Auctions and Spectrum Access Division, Wireless Telecommunications Bureau, Federal Communications Commission, dated September 19, 2006.

Other Telecommunications,” which is 1,500 or fewer employees.¹⁸² Most applicants for recreational licenses are individuals. Approximately 581,000 ship station licensees and 131,000 aircraft station licensees operate domestically and are not subject to the radio carriage requirements of any statute or treaty. For purposes of our evaluations in this analysis, we estimate that there are up to approximately 712,000 licensees that are small businesses (or individuals) under the SBA standard. In addition, between December 3, 1998 and December 14, 1998, the Commission held an auction of 42 VHF Public Coast licenses in the 157.1875-157.4500 MHz (ship transmit) and 161.775-162.0125 MHz (coast transmit) bands. For purposes of the auction, the Commission defined a “small” business as an entity that, together with controlling interests and affiliates, has average gross revenues for the preceding three years not to exceed \$15 million dollars. In addition, a “very small” business is one that, together with controlling interests and affiliates, has average gross revenues for the preceding three years not to exceed \$3 million dollars.¹⁸³ There are approximately 10,672 licensees in the Marine Coast Service, and the Commission estimates that almost all of them qualify as “small” businesses under the above special small business size standards.

95. **Offshore Radiotelephone Service.** This service operates on several ultra high frequencies (UHF) television broadcast channels that are not used for television broadcasting in the coastal areas of states bordering the Gulf of Mexico.¹⁸⁴ There are presently approximately 55 licensees in this service. We are unable to estimate at this time the number of licensees that would qualify as small under the SBA’s small business size standard for “Cellular and Other Wireless Telecommunications” services.¹⁸⁵ Under that SBA small business size standard, a business is small if it has 1,500 or fewer employees.¹⁸⁶

96. **Multiple Address Systems (MAS).** Entities using MAS spectrum, in general, fall into two categories: (1) those using the spectrum for profit-based uses, and (2) those using the spectrum for private internal uses. With respect to the first category, the Commission defines “small entity” for MAS licenses as an entity that has average gross revenues of less than \$15 million in the three previous calendar years.¹⁸⁷ “Very small business” is defined as an entity that, together with its affiliates, has average gross revenues of not more than \$3 million for the preceding three calendar years.¹⁸⁸ The SBA has approved of these definitions.¹⁸⁹ The majority of these entities will most likely be licensed in bands where the Commission has implemented a geographic area licensing approach that would require the use of competitive bidding procedures to resolve mutually exclusive applications. The Commission’s licensing database indicates that, as of January 20, 1999, there were a total of 8,670 MAS station authorizations. Of these, 260 authorizations were associated with common carrier service. In addition, an auction for 5,104 MAS licenses in 176 EAs began November 14, 2001, and closed on November 27, 2001.¹⁹⁰ Seven winning bidders claimed status as small or very small businesses and won 611 licenses. On May 18, 2005, the Commission completed an auction (Auction No. 59) of 4,226 Multiple Address Systems (MAS) licenses in

¹⁸² 13 CFR § 121.201, NAICS code 517212.

¹⁸³ Amendment of the Commission’s Rules Concerning Maritime Communications, PR Docket No. 92-257, *Third Report and Order and Memorandum Opinion and Order*, 13 FCC Rcd 19853 (1998).

¹⁸⁴ This service is governed by Subpart I of Part 22 of the Commission’s Rules. See 47 C.F.R. §§ 22.1001-22.1037.

¹⁸⁵ 13 C.F.R. § 121.201, NAICS code 517212.

¹⁸⁶ *Id.*

¹⁸⁷ See Amendment of the Commission’s Rules Regarding Multiple Address Systems, *Report and Order*, 15 FCC Rcd 11956, 12008, ¶ 123 (2000).

¹⁸⁸ *Id.*

¹⁸⁹ See Letter to Thomas Sugrue, Chief, Wireless Telecommunications Bureau, FCC, from Aida Alvarez, Administrator, SBA, (June 4, 1999).

¹⁹⁰ See “Multiple Address Systems Spectrum Auction Closes,” *Public Notice*, 16 FCC Rcd 21011 (2001).

the Fixed Microwave Services from the 928/959 and 932/941 MHz bands. Twenty-six winning bidders won a total of 2,323 licenses. Of the 26 winning bidders in this auction, five claimed small business status and won 1,891 licenses.

97. With respect to the second category, which consists of entities that use, or seek to use, MAS spectrum to accommodate internal communications needs, we note that MAS serves an essential role in a range of industrial, safety, business, and land transportation activities. MAS radios are used by companies of all sizes, operating in virtually all U.S. business categories, and by all types of public safety entities. For the majority of private internal users, the small business size standard developed by the SBA would be more appropriate. The applicable size standard in this instance appears to be that of "Cellular and Other Wireless Telecommunications". This definition provides that a small entity is any such entity employing no more than 1,500 persons.¹⁹¹ The Commission's licensing database indicates that, as of January 20, 1999, of the 8,670 total MAS station authorizations, 8,410 authorizations were for private radio service, and of these, 1,433 were for private land mobile radio service.

98. Incumbent 24 GHz Licensees. This analysis may affect incumbent licensees who were relocated to the 24 GHz band from the 18 GHz band, and applicants who wish to provide services in the 24 GHz band. The applicable SBA small business size standard is that of "Cellular and Other Wireless Telecommunications" companies. This category provides that such a company is small if it employs no more than 1,500 persons.¹⁹² For the census category of Paging, Census Bureau data for 2002 show that there were 807 firms in this category that operated for the entire year.¹⁹³ Of this total, 804 firms had employment of 999 or fewer employees, and three firms had employment of 1,000 employees or more.¹⁹⁴ Thus, under this category and associated small business size standard, the majority of firms can be considered small. For the census category of Cellular and Other Wireless Telecommunications, Census Bureau data for 2002 show that there were 1,397 firms in this category that operated for the entire year.¹⁹⁵ Of this total, 1,378 firms had employment of 999 or fewer employees, and 19 firms had employment of 1,000 employees or more.¹⁹⁶ Thus, under this second category and size standard, the majority of firms can, again, be considered small. These broader census data notwithstanding, we believe that there are only two licensees in the 24 GHz band that were relocated from the 18 GHz band, Teligent¹⁹⁷ and TRW, Inc. It is our understanding that Teligent and its related companies have fewer than 1,500 employees, though this may change in the future. TRW is not a small entity. Thus, only one incumbent licensee in the 24 GHz band is a small business entity.

99. Future 24 GHz Licensees. With respect to new applicants in the 24 GHz band, we have defined "small business" as an entity that, together with controlling interests and affiliates, has average annual gross revenues for the three preceding years not exceeding \$15 million.¹⁹⁸ "Very small business" in

¹⁹¹ See 13 C.F.R. § 121.201, NAICS code 517212.

¹⁹² 13 C.F.R. § 121.201, NAICS code 517212.

¹⁹³ U.S. Census Bureau, 2002 Economic Census, Subject Series: Information, "Establishment and Firm Size (Including Legal Form of Organization)," Table 5, NAICS code 517211 (issued Nov. 2005).

¹⁹⁴ *Id.* The census data do not provide a more precise estimate of the number of firms that have employment of 1,500 or fewer employees; the largest category provided is for firms with "1000 employees or more."

¹⁹⁵ U.S. Census Bureau, 2002 Economic Census, Subject Series: Information, "Establishment and Firm Size (Including Legal Form of Organization)," Table 5, NAICS code 517212 (issued Nov. 2005).

Id. The census data do not provide a more precise estimate of the number of firms that have employment of 1,500 or fewer employees; the largest category provided is for firms with "1000 employees or more."

¹⁹⁷ Teligent acquired the DEMS licenses of FirstMark, the only licensee other than TRW in the 24 GHz band whose license has been modified to require relocation to the 24 GHz band.

¹⁹⁸ Amendments to Parts 1, 2, 87 and 101 of the Commission's Rules To License Fixed Services at 24 GHz, *Report* (continued....)

the 24 GHz band is defined as an entity that, together with controlling interests and affiliates, has average gross revenues not exceeding \$3 million for the preceding three years.¹⁹⁹ The SBA has approved these definitions.”” The Commission will not know how many licensees will be small or very small businesses until the auction, if required, is held.

100. **Multipoint Distribution Service, Multichannel Multipoint Distribution Service, and Instructional Television Fixed Service.** Multichannel Multipoint Distribution Service (MMDS) systems, often referred to as “wireless cable,” transmit video programming to subscribers using the microwave frequencies of the Multipoint Distribution Service (MDS) and Instructional Television Fixed Service (ITFS).²⁰¹ In connection with the 1996 MDS auction, the Commission defined “small business” as an entity that, together with its affiliates, has average gross annual revenues that are not more than \$40 million for the preceding three calendar years.”” The SBA has approved of this standard.²⁰³ The MDS auction resulted in 67 successful bidders obtaining licensing opportunities for 493 Basic Trading Areas (BTAs).²⁰⁴ Of the 67 auction winners, 61 claimed status as a small business. At this time, we estimate that of the 61 small business MDS auction winners, 48 remain small business licensees. In addition to the 48 small businesses that hold BTA authorizations, there are approximately 392 incumbent MDS licensees that have gross revenues that are not more than \$40 million and are thus considered small entities. In addition, hundreds of “pre-auction stations were licensed to incumbent MDS licensees prior to implementation of § 309(j) of the Communications Act of 1934, 47 U.S.C. § 309(j).

101. In addition, the SBA has developed a small business size standard for Cable and Other Program Distribution,²⁰⁵ which includes all such companies generating \$12.5 million or less in annual receipts.”” The Census Bureau defines this category as follows: “This industry comprises establishments primarily engaged as third-party distribution systems for broadcast programming. The establishments of this industry deliver visual, aural, or textual programming received from cable networks, local television stations, or radio networks to consumers via cable or direct-to-home satellite systems on a subscription or fee basis. These establishments do not generally originate programming material.”” The SBA has

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and Order, 15 FCC Rcd 16934, 16967, para. 77 (2000) (24 GHz Report and Order); *see also* 47 C.F.R. § 101.538(a)(2)

¹⁹⁹ 24 GHz Report and Order, 15 FCC Rcd at 16967, para. 77; *see also* 47 C.F.R. § 101.538(a)(1).

²⁰⁰ *See* Letter to Margaret W. Wiener, Deputy Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, FCC, from Gary M. Jackson, Assistant Administrator, SBA, (July 28, 2000).

²⁰¹ Amendment of Parts 21 and 74 of the Commission’s Rules with Regard to Filing Procedures in the Multipoint Distribution Service and in the Instructional Television Fixed Service and Implementation of Section 309(j) of the Communications Act – Competitive Bidding, *Report and Order*, 10 FCC Rcd 9589, 9593, para. 7 (1995) (MDS Auction R&O).

²⁰² 47 C.F.R. § 21.961(b)(1).

²⁰³ *See* Letter to Margaret Wiener, Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, FCC, from Gary Jackson, Assistant Administrator for Size Standards, SBA, (March 20, 2003) (noting approval of \$40 million size standard for MDS auction).

²⁰⁴ Basic Trading Areas (BTAs) were designed by Rand McNally and are the geographic areas by which MDS was auctioned and authorized. *See* MDS Auction R&O, 10 FCC Rcd at 9608, para. 34 (1995).

²⁰⁵ 13 C.F.R. § 121.201, NAICS code 517510

²⁰⁶ *Id.*

²⁰⁷ U.S. Census Bureau, 2002 NAICS Definitions, “517510 Cable and Other Program Distribution”; <http://www.census.gov/epcd/naics02/def/NDEF517.HTM>.

developed a small business size standard for Cable and Other Program Distribution, which is: **all** such firms having \$13.5 million or less in annual receipts.” According to Census Bureau data for 2002, there were a total of 1,191 firms in this category that operated for the entire year.” Of this total, 1,087 firms had annual receipts of under \$10 million, and 43 firms had receipts of \$10 million or more but less than \$25 million.” Thus, under this size standard, the majority of firms can be considered **small**.

102. Finally, concerning ITFS, we note that educational institutions are included in this analysis as small entities.” There are currently 2,032 ITFS licensees, and all but 100 of these licenses are held by educational institutions. Thus, we tentatively conclude that at least 1,932 ITFS licensees are small businesses.

103. Television Broadcasting. The Census Bureau defines this category as follows: “This industry comprises establishments primarily engaged in broadcasting images together with sound. These establishments operate television broadcasting studios and facilities for the programming and transmission of programs to the public.”” The SBA has created a small business size standard for Television Broadcasting entities, which is: such firms having \$13 million or less in annual **receipts**.²¹³ According to Commission staff review of the BIA Publications, Inc., Master Access Television Analyzer Database as of May 16, 2003, about 814 of the 1,220 commercial television stations in the United States had revenues of \$12 (twelve) million or less. We note, however, that in assessing whether a business concern qualifies **as** small under the above definition, business (control) **affiliations**²¹⁴ must be included. Our estimate, therefore, likely overstates the number of small entities that might be affected by our action, because the revenue figure on which it is based does not include or aggregate revenues from affiliated companies.

104. In addition, an element of the definition of “small business” is that the entity **not** be dominant in its field of operation. We are unable at this time to define or quantify the criteria that **would** establish whether a specific television station is dominant in its field of operation. Accordingly, the estimate of small businesses to which rules may apply do not exclude any television station from the definition of a small business on this basis and are therefore over-inclusive to that extent. Also as noted, an additional element of the definition of “small business” is that the entity must be independently owned and operated. We note that it is difficult at times to assess these criteria in the context of media entities and our estimates of small businesses to which they apply may be over-inclusive to this extent.

105. There are also 2,117 low power television stations (LPTV).²¹⁵ Given the nature of this service, we **will** presume that all LPTV licensees qualify as small entities under the above SBA small business size standard.

²⁰⁸ 13 C.F.R. § 121.201, NAICS code 517510.

²⁰⁹ U.S. Census Bureau, 2002 Econonuc Census, Subject Series: Information, Table 4, Receipts Size of Firms for the United States: 2002, NAICS code 517510 (issued November 2005).

²¹⁰ *Id.* An additional 61 firms had **annual** receipts of \$25 million or more

²¹¹ In addition, the term “small entity” under SBREFA applies to small organizations (nonprofits) and to small governmental jurisdictions (cities, counties, towns, townships, villages, school districts, and special districts with populations of less than 50,000). 5 U.S.C. §§ 601(4)-(6). We do not collect annual revenue data on ITFS licensees.

²¹² U.S. Census Bureau, 2002 NAICS Definitions, “5 15120 Television Broadcasting” (partial definition); <http://www.census.gov/epcd/naics02ldefA/DEF15.HTM>.

²¹³ 13 C.F.R. § 121.201, NAICS code 515120.

²¹⁴ “Concerns are affiliates of each other when one concern controls or has the power to control the other or a third party or parties controls or has to power to control both.” 13 C.F.R. § 21.103(a)(1).

²¹⁵ FCC News Release, “Broadcast Station Totals as of September 30, 2005.”

106. Radio Broadcasting. The SBA defines a radio broadcast entity that has \$6 million or less in annual receipts as a small business.²¹⁶ Business concerns included in this industry are those “primarily engaged in broadcasting aural programs by radio to the public.” According to Commission staff review of the BIA Publications, Inc., Master Access Radio Analyzer Database, as of May 16, 2003, about 10,427 of the 10,945 commercial radio stations in the United States have revenue of \$6 million or less. We note, *however, that many radio stations are affiliated with much larger corporations with much higher revenue, and that in assessing whether a business concern qualifies as small under the above definition, such business (control) affiliations” are included.”* Our estimate, therefore likely overstates the number of small businesses that might be affected by our action.

107. Auxiliary, Special Broadcast and Other Program Distribution Services. This service involves a variety of transmitters, generally used to relay broadcast programming to the public (through translator and booster stations) or within the program distribution chain (from a remote news gathering unit back to the station). The Commission has not developed a definition of small entities applicable to broadcast auxiliary licensees. The applicable definitions of small entities are those, noted previously, under the SBA rules applicable to radio broadcasting stations and television broadcasting stations.²²⁰

108. The Commission estimates that there are approximately 3,868 FM translators and boosters.²²¹ The Commission does not collect financial information on any broadcast facility, and the Department of Commerce does not collect financial information on these auxiliary broadcast facilities. We believe that most, if not all, of these auxiliary facilities could be classified as small businesses by themselves. We **also** recognize that most commercial translators and boosters are owned by a parent station which, in some cases, would be covered by the revenue definition of small business entity discussed above. These stations would likely have annual revenues that exceed the SBA maximum to be designated as a small business (\$6.5 million for a radio station or \$13.0 million for a TV station). Furthermore, they do not meet the Small Business Act’s definition of a “small business concern” because they are not independently owned and operated.²²²

109. Cable and Other Program Distribution. The Census Bureau defines this category as follows: “This industry comprises establishments primarily engaged as third-party distribution systems for broadcast programming. The establishments of this industry deliver visual, aural, or textual programming received from cable networks, local television stations, or radio networks to consumers via cable or direct-to-home satellite systems on a subscription or fee basis. These establishments do not generally originate programming material.”²²³ The SBA has developed a small business size standard for Cable and ~~Other~~ Program Distribution, which is: all such firms having \$13.5 million or less in annual receipts.²²⁴

²¹⁶ See OMB, North American Industry Classification System: United States, 1997, at 509 (1997) (Radio Stations) (NAICS code 515112).

²¹⁷ *Id.*

²¹⁸ “Concerns are affiliates of each other when one concern controls or has the power to control the other, or a third party or parties controls or has the power to control both.” 13 CFR § 121.103(a)(1).

²¹⁹ “SBA counts the receipts or employees of the concern whose size is at issue and those of all its domestic and foreign affiliates, regardless of whether the affiliates are organized for profit, in determining the concern’s size.” 13 CFR § 121(a)(4).

²²⁰ 13 CFR 121.201, NAICS codes 513111 and 513112.

²²¹ FCC News Release, “Broadcast Station Totals as of September 30, 2004.”

²²² 15 U.S.C. 632.

²²³ U.S. Census Bureau, 2002 NAICS Definitions, “517510 Cable and Other Program Distribution”; <http://www.census.gov/epcd/naics02/def/NDEF517.HTM>.

²²⁴ 13 C.F.R. § 121.201, NAICS code 517510.

According to Census Bureau data for 2002, there were a total of 1,191 firms in this category that operated for the entire year.” Of this total, 1,087 firms had annual receipts of under \$10 million, and 43 firms had receipts of \$10 million or more but less than \$25 million.²²⁶ Thus, under this size standard, the majority of firms can be considered small.

110. **Cable Companies and Systems.** The Commission has also developed its own small business size standards, for the purpose of cable rate regulation. Under the Commission’s rules, a “small cable company” is one serving 400,000 or fewer subscribers, nationwide.” Industry data indicate that, of 1,076 cable operators nationwide, all but eleven are small under this size standard.²²⁸ In addition, under the Commission’s rules, a “small system” is a cable system serving 15,000 or fewer subscribers.²²⁹ Industry data indicate that, of 7,208 systems nationwide, 6,139 systems have under 10,000 subscribers, and an additional 379 systems have 10,000-19,999 subscribers.²³⁰ Thus, under this second size standard, most cable systems are small.

111. **Cable System Operators.** The Communications Act of 1934, as amended, **also** contains a size standard for small cable system operators, which is “a cable operator that, directly or through an affiliate, serves in the aggregate fewer than 1 percent of all subscribers in the United States and is not affiliated with any entity or entities whose gross annual revenues in the aggregate exceed \$250,000,000.”²³¹ The Commission has determined that an operator serving fewer than 677,000 subscribers shall be deemed a small operator, if its annual revenues, when combined with the total annual revenues of all its affiliates, do not exceed \$250 million in the aggregate.²³² Industry data indicate that, of 1,076 cable operators nationwide, all but ten are small under this size standard.²³³ We note that the Commission neither requests nor collects information on whether cable system operators are affiliated with entities whose gross annual revenues exceed \$250 million,²³⁴ and therefore we are unable to estimate more accurately the number of cable system operators that would qualify as small under this size standard.

²²⁵ U.S. Census Bureau, 2002 Economic Census, Subject Series: Information, Table 4, Receipts Size of Firms for the United States: 2002, NAICS code 517510 (issued November 2005).

²²⁶ *Id.* An additional 61 firms had annual receipts of \$25 million or more

²²⁷ 47 C.F.R. § 76.901(e). The Commission determined that this size standard equates approximately to a size standard of \$100 million or less in annual revenues. *Implementation of Sections of the 1992 Cable Act: Rate Regulation*. Sixth Report and Order and Eleventh Order on Reconsideration, 10 FCC Rcd 7393, 7408 (1995).

²²⁸ These data are derived from: R.R. Bowker, *Broadcasting & Cable Yearbook 2006*, “Top 25 Cable/Satellite Operators,” pages A-8 & C-2 (data current as of June 30, 2005); Warren Communications News, *Television & Cable Factbook 2006*, “Ownership of Cable Systems in the United States,” pages D-1805 to D-1857.

²²⁹ 47 C.F.R. § 76.901(c)

²³⁰ Warren Communications News, *Television & Cable Factbook 2006*, “U.S. Cable Systems by Subscriber Size,” page F-2 (data current as of Oct. 2005). The data do not include 718 systems for which classifying data were not available.

²³¹ 47 U.S.C. § 543(m)(2); *see* 47 C.F.R. § 76.901(f) & nn. 1-3.

²³² 47 C.F.R. § 76.901(f); *see* Public Notice, *FCC Announces New Subscriber Count for the Definition of Small Cable Operator*, DA 01-158 (Cable Services Bureau, Jan. 24, 2001).

²³³ These data are derived from: R.R. Bowker, *Broadcasting & Cable Yearbook 2006*, “Top 25 Cable/Satellite Operators,” pages A-8 & C-2 (data current as of June 30, 2005); Warren Communications News, *Television & Cable Factbook 2006*, “Ownership of Cable Systems in the United States,” pages D-1805 to D-1857.

²³⁴ The Commission does receive such information on a case-by-case basis if a cable operator appeals a local franchise authority’s finding that the operator does not qualify as a small cable operator pursuant to § 76.901(f) of the Commission’s rules. *See* 47 C.F.R. § 76.909(b).

112. **Open Video Services.** Open Video Service (OVS) systems provide subscription services.” The SBA has created a small business size standard for Cable and Other Program Distribution.²³⁶ This standard provides that a small entity is one with \$13.5 million or less in annual receipts. The Commission has certified approximately 25 OVS operators to serve 75 areas, and some of these are currently providing service.” Affiliates of Residential Communications Network, Inc. (RCN) received approval to operate OVS systems in New York City, Boston, Washington, D.C., and other areas. RCN has sufficient revenues to assure that they do not qualify as a small business entity. Little financial information is available for the other entities that are authorized to provide OVS and are not yet operational. Given that some entities authorized to provide OVS service have not yet begun to generate revenues, the Commission concludes that up to 24 OVS operators (those remaining) might qualify as small businesses that may be affected by the rules and policies proposed herein.

113. **Cable Television Relay Service.** This service includes transmitters generally used to relay cable programming within cable television system distribution systems. The SBA has developed a small business size standard for Cable and Other Program Distribution, which is: all such firms having \$13.5 million or less in annual receipts.²³⁸ According to Census Bureau data for 2002, there were a total of 1,191 firms in this category that operated for the entire year.²³⁹ Of this total, 1,087 firms had annual receipts of under \$10 million, and 43 firms had receipts of \$10 million or more but less than \$25 million.²⁴⁰ Thus, under this size standard, the majority of firms can be considered small.

114. **Multichannel Video Distribution and Data Service.** MVDDS is a terrestrial fixed microwave service operating in the 12.2-12.7 GHz band. The Commission adopted criteria for defining three groups of small businesses for purposes of determining their eligibility for special provisions such as bidding credits. It defined a very small business as an entity with average annual gross revenues not exceeding \$3 million for the preceding three years; a small business as an entity with average annual gross revenues not exceeding \$15 million for the preceding three years; and an entrepreneur as an entity with average annual gross revenues not exceeding \$40 million for the preceding three years.” These definitions were approved by the SBA.²⁴² On January 27, 2004, the Commission completed an auction of 214 MVDDS licenses (Auction No. 53). In this auction, ten winning bidders won a total of 192 MVDDS licenses.²⁴³ Eight of the ten winning bidders claimed small business status and won 144 of the licenses.

²³⁵ See 47 U.S.C. § 573.

²³⁶ 13 CFR § 121.201, NAICS code 517510.

²³⁷ See <http://www.fcc.gov/csb/ovs/csovsr.html> (current as of March 2002).

²³⁸ 13 C.F.R. § 121.201, NAICS code 517510.

²³⁹ U.S. Census Bureau, 2002 Economic Census, Subject Series: Information, Table 4, Receipts Size of Firms for the United States: 2002, NAICS code 517510 (issued November 2005).

²⁴⁰ *Id.* An additional 61 firms had annual receipts of \$25 million or more.

²⁴¹ Amendment of Parts 2 and 25 of the Commission’s Rules to Permit Operation of NGSO FSS Systems Co-Frequency with GSO and Terrestrial Systems in the Ku-Band Frequency Range; Amendment of the Commission’s Rules to Authorize Subsidiary Terrestrial Use of the 12.2-12.7 GHz Band by Direct Broadcast Satellite Licenses and their Affiliates; and Applications of Broadwave LISA, PDC Broadband Corporation, and Satellite Receivers, Ltd. to provide A Fixed Service in the 12.2-12.7 GHz Band, ET Docket No. 98-206, *Memorandum Opinion and Order and Second Report and Order*, 17 FCC Rcd 9614, 9711 ¶ 252 (2002).

²⁴² See Letter from Hector V. Barreto, Administrator, U.S. Small Business Administration, to Margaret W. Wiener, Chief, Auctions and Industry Analysis Division, Wireless Telecommunications Bureau, Federal Communications Commission, dated February 13, 2002.

²⁴³ See “Multichannel Video Distribution and Data Service Auction Closes,” *Public Notice*, 19 FCC Rcd 1834 (2004).

The Commission also held an auction of MVDDS licenses on December 7, 2005 (Auction 63). Of the three winning bidders who won 22 licenses, two winning bidders, winning 21 of the licenses, claimed small business status.²⁴⁴

115. Amateur Radio Service. These licensees are held by individuals in a noncommercial capacity; these licensees are not small entities.

116. Aviation and Marine Services. Small businesses in the aviation and marine radio services use a very high frequency (VHF) marine or aircraft radio and, as appropriate, an emergency position-indicating radio beacon (and/or radar) or an emergency locator transmitter. The Commission has not developed a small business size standard specifically applicable to these small businesses. For purposes of this analysis, the Commission uses the SBA small business size standard for the category "Cellular and Other Telecommunications," which is 1,500 or fewer employees.²⁴⁵ Most applicants for recreational licenses are individuals. Approximately 581,000 ship station licensees and 131,000 aircraft station licensees operate domestically and are not subject to the radio carriage requirements of any statute or treaty. For purposes of our evaluations in this analysis, we estimate that there are up to approximately 712,000 licensees that are small businesses (or individuals) under the SBA standard. In addition, between December 3, 1998 and December 14, 1998, the Commission held an auction of 42 VHF Public Coast licenses in the 157.1875-157.4500 MHz (ship transmit) and 161.775-162.0125 MHz (coast transmit) bands. For purposes of the auction, the Commission defined a "small" business as an entity that, together with controlling interests and affiliates, has average gross revenues for the preceding three years not to exceed \$15 million dollars. In addition, a "very small" business is one that, together with controlling interests and affiliates, has average gross revenues for the preceding three years not to exceed \$3 million dollars.²⁴⁶ There are approximately 10,672 licensees in the Marine Coast Service, and the Commission estimates that almost all of them qualify as "small" businesses under the above special small business size standards.

117. Personal Radio Services. Personal radio services provide short-range, low power radio for personal communications, radio signaling, and business communications not provided for in other services. The Personal Radio Services include spectrum licensed under Part 95 of our rules.²⁴⁷ These services include Citizen Band Radio Service (CB), General Mobile Radio Service (GMRS), Radio Control Radio Service (WC), Family Radio Service (FRS), Wireless Medical Telemetry Service (WMTS), Medical Implant Communications Service (MICS), Low Power Radio Service (LPRS), and Multi-Use Radio Service (MURS).²⁴⁸ There are a variety of methods used to license the spectrum in these rule parts, from licensing by rule, to conditioning operation on successful completion of a required test, to site-based licensing, to geographic area licensing. Under the RFA, the Commission is required to make a determination of which small entities are directly affected by the rules being proposed. Since all such entities are wireless, we apply the definition of cellular and other wireless telecommunications, pursuant to which a small entity is defined as employing 1,500 or fewer persons.²⁴⁹ Many of the licensees in these

²⁴⁴ See "Auction of Multichannel Video Distribution and Data Service Licenses Closes; Winning Bidders Announced for Auction No. 63," *Public Notice*, 20 FCC Rcd 19807 (2005).

²⁴⁵ 13 CFR § 121.201, NAICS code 517212.

²⁴⁶ Amendment of the Commission's Rules Concerning Maritime Communications, *Third Report and Order and Memorandum Opinion and Order*, 13 FCC Rcd 19853 (1998).

²⁴⁷ 47 CFR Part 90

²⁴⁸ The Citizens Band Radio Service, General Mobile Radio Service, Radio Control Radio Service, Family Radio Service, Wireless Medical Telemetry Service, Medical Implant Communications Service, Low Power Radio Service, and Multi-Use Radio Service are governed by Subpart D, Subpart A, Subpart C, Subpart B, Subpart H, Subpart I, Subpart G, and Subpart J, respectively, of Part 95 of the Commission's rules. See generally 47 C.F.R. Part 95.

²⁴⁹ 13 C.F.R. § 121.201, NAICS Code 517212.

services are individuals, and thus are not small entities. In addition, due to the mostly unlicensed and shared nature of the spectrum utilized in many of these services, the Commission lacks direct information upon which to base an estimation of the number of small entities under an **SBA** definition that might be directly affected by the proposed rules.

118. **Public Safety Radio Services.** Public Safety radio services include police, fire, local government, forestry conservation, highway maintenance, and emergency medical services.²⁵⁰ There are a total of approximately 127,540 licensees in these services. Governmental entities²⁵¹ as well as private businesses comprise the licensees for these services. All governmental entities with populations of less than 50,000 fall within the definition of a small entity.²⁵²

IV. Description of Projected Reporting, Recordkeeping and Other Compliance Requirements:

119. With certain exceptions, the Commission's Schedule of Regulatory Fees applies to all Commission licensees and regulatees. Most licensees will be required to count the number of licenses or call signs authorized, complete and submit an FCC Form 159 Remittance Advice, and pay a regulatory fee based on the number of licenses or call signs.²⁵³ Interstate telephone service providers must compute their annual regulatory fee based on their interstate and international end-user revenue using information they already supply to the Commission in compliance with the Form 499-A, Telecommunications Reporting

²⁵⁰ With the exception of the special emergency service, these services are governed by Subpart B of part 90 of the Commission's Rules, 47 C.F.R. §§ 90.15-90.27. The police service includes approximately 27,000 licensees that serve state, county, or municipal law enforcement through telephony (voice), telegraphy (code) and teletype and facsimile (printed or digital). The fire radio service includes approximately 23,000 licensees comprised of private volunteer or professional fire companies as well as units under governmental control. The local government service that is presently comprised of approximately 41,000 licensees that are state, county, or municipal entities that use the radio for official purposes not covered by other public safety services. There are approximately 1,000 licensees within the forestry service which is comprised of licensees from state departments of conservation and private landowner organizations who set up communications networks among fire lookout towers and ground crews. The interstate 9,000 state and local governments are licensed to highway maintenance service provide emergency and routine communications to aid other public safety services to keep main roads safe for vehicular traffic. Approximately 1,000 licensees in the Emergency Medical Radio Service (EMRS) use the 39 channels allocated to this service for emergency medical service communications related to the delivery of emergency medical treatment. 47 CFR §§ 90.15-90.27. The approximately 20,000 licensees in the special emergency service include medical services, rescue organizations, veterinarians, handicapped persons, disaster relief organizations, school buses, beach patrols, lifelines in isolated areas, communications standby facilities, and emergency repair of public communications facilities. 47 CFR §§ 90.33-90.55.

²⁵¹ 47 CFR 1.1162

²⁵² 5 U.S.C. § 601(5)

²⁵³ The following categories are exempt from the Commission's Schedule of Regulatory Fees: Amateur radio licensees (except applicants for vanity call signs) and operators in other non-licensed services (e.g., Personal Radio, part 15, ship and aircraft). Governments and non-profit (exempt under section 501(c) of the Internal Revenue Code) entities are exempt from payment of regulatory fees and need not submit payment. Non-commercial educational broadcast licensees are exempt from regulatory fees as are licensees of auxiliary broadcast services such as low power auxiliary stations, television auxiliary service stations, remote pickup stations and aural broadcast auxiliary stations where such licenses are used in conjunction with commonly owned non-commercial educational stations. Emergency Alert System licenses for auxiliary service facilities are also exempt as are instructional television fixed service licensees. Regulatory fees are automatically waived for the licensee of any translator station that: (1) is not licensed to, in whole or in part, and does not have common ownership with, the licensee of a commercial broadcast station; (2) does not derive income from advertising; and (3) is dependent on subscriptions or contributions from members of the community served for support. Receive only earth station permittees are exempt from payment of regulatory fees. A regulatee will be relieved of its fee payment requirement if its total fee due, including all categories of fees for which payment is due by the entity, amounts to less than \$10.

Worksheet, and they must complete and submit the FCC Form 159. Compliance with the fee schedule will require some licensees to tabulate the number of units (*e.g.*, cellular telephones, pagers, cable TV subscribers) they have in service, and complete and submit an FCC Form 159. Licensees ordinarily will keep a list of the number of units they have in service as part of their normal business practices. No additional outside professional skills are required to complete the FCC Form 159, and it can be completed by the employees responsible for an entity's business records.

120. Each licensee must submit the FCC Form 159 to the commission's lockbox bank after computing the number of units subject to the fee. Licensees may also file electronically to minimize the burden of submitting multiple copies of the FCC Form 159. Applicants who pay small fees in advance and provide fee information as part of their application must use FCC Form 159.

121. Licensees and regulatees are advised that failure to submit the required regulatory fee in a timely manner will subject the licensee or regulatee to a late payment penalty of 25 percent in addition to the required fee.²⁵⁴ If payment is not received, new or pending applications may be dismissed, and existing authorizations may be subject to rescission.²⁵⁵ Further, in accordance with the Debt Collection Improvement Act of 1996 (DCIA), Public Law 104-134, federal agencies may bar a person or entity from obtaining a federal loan or loan insurance guarantee if that person or entity fails to pay a delinquent debt owed to any federal agency.²⁵⁶ Nonpayment of regulatory fees is a debt owed the United States pursuant to 31 U.S.C. 3711 *et seq.*, and the DCIA. Appropriate enforcement measures as well as administrative and judicial remedies, may be exercised by the Commission. Debts owed to the Commission may result in a person or entity being denied a federal loan or loan guarantee pending before another federal agency until such obligations are paid.²⁵⁷

122. The Commission's rules currently provide for relief in exceptional circumstances. Persons or entities may request a waiver, reduction or deferment of payment of the regulatory fee.²⁵⁸ However, timely submission of the required regulatory fee must accompany requests for waivers or reductions. This will avoid any late payment penalty if the request is denied. The fee will be refunded if the request is granted. In exceptional and compelling instances (where payment of the regulatory fee along with the waiver or reduction request could result in reduction of service to a community or other financial hardship to the licensee), the Commission will defer payment in response to a request filed with the appropriate supporting documentation.

V. Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered:

123. The W A requires an agency to describe any significant alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives: (1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities?" In the *NPRM*, we have sought comment on alternatives that might simplify our fee procedures or otherwise benefit filers, including

²⁵⁴ 47 CFR § 1.1164.

²⁵⁵ 47 CFR § 1.1164(c)

small entities, while remaining consistent with our statutory responsibilities in this proceeding

124. The Omnibus Appropriations Act for FY 2007, Public Law 109-383, requires the Commission to revise its Schedule of Regulatory Fees in order to recover the amount of regulatory fees that Congress, pursuant to Section 9(a) of the Communications Act, as amended, has required the Commission to collect for Fiscal Year (FY) 2007.²⁶⁰ As noted, we seek comment on the proposed methodology for implementing these statutory requirements and any other potential impact of these proposals on small entities.

125. Several categories of licensees and regulatees are exempt from payment of regulatory fees. *See, e.g.*, footnote 253, *supra*. Also, waiver procedures provide regulatees, including small entity regulatees, relief in exceptional circumstances. See Section IV, *supra*.

• **VI. Federal Rules that May Duplicate, Overlap, or Conflict with the Proposed Rules:**

126. None.

²⁶⁰ 47 U.S.C. § 159(a)

ATTACHMENT B

SOURCES OF PAYMENT UNIT ESTIMATES FOR FY 2007

In order to calculate individual service fees for FY 2007, we adjusted FY 2006 payment units for each service to more accurately reflect expected FY 2007 payment liabilities. We obtained our updated estimates through a variety of means. For example, we used Commission licensee data bases, actual prior year payment records and industry and trade association projections when available. The databases we consulted include our Universal Licensing System (ULS), International Bureau Filing System (IBFS), Consolidated Database System (CDBS) and Cable Operations and Licensing System (COALS), as well as reports generated within the Commission such as the Wireline Competition Bureau's *Trends in Telephone Service* and the Wireless Telecommunications Bureau's *Numbering Resource Utilization Forecast*.

We tried to obtain verification for these estimates from multiple sources and, in all cases; we compared FY 2007 estimates with actual FY 2006 payment units to ensure that our revised estimates were reasonable. Where appropriate, we adjusted and/or rounded our final estimates to take into consideration the fact that certain variables that impact on the number of payment units cannot yet be estimated exactly. These include an unknown number of waivers and/or exemptions that may occur in FY 2007 and the fact that, in many services, the number of actual licensees or station operators fluctuates from time to time due to economic, technical or other reasons. Therefore, when we note, for example, that our estimated FY 2007 payment units are based on FY 2006 actual payment units, it does not necessarily mean that our FY 2007 projection is exactly the same number as FY 2006. It means that we have either rounded the FY 2007 number or adjusted it slightly to account for these variables

| FEE CATEGORY | SOURCES OF PAYMENT UNIT ESTIMATES |
|--|---|
| Land Mobile (All), Microwave, 218-219 MHz, Marine (Ship & Coast), Aviation (Aircraft & Ground), GMRS, Amateur Vanity Call Signs, Domestic Public Fixed | Based on Wireless Telecommunications Bureau (WTB) projections of new applications and renewals taking into consideration existing Commission licensee data bases. Aviation (Aircraft) and Marine (Ship) estimates have been adjusted to take into consideration the licensing of portions of these services on a voluntary basis. |
| CMRS Mobile Services | Based on Wireless Telecommunications Bureau reports. |
| CMRS Messaging Services | Based on Wireless Telecommunications Bureau Competition Report findings. |
| AM/FM Radio Stations | Based on CDBS data, adjusted for exemptions, and actual FY 2006 payment units. |
| UHF/NHF Television Stations | Based on CDBS data, adjusted for exemptions, and actual FY 2006 payment units |
| AM/FM/TV Construction Permits | Based on CDBS data, adjusted for exemptions, and actual FY 2006 payment units. |
| LPTV, Translators and Boosters, Class A Television | Based on CDBS data, adjusted for exemptions, and actual FY 2006 payment units. |
| Broadcast Auxiliaries | Based on actual FY 2006 payment units. |
| BRS (formerly MDS/MMDS) | Based on Wireless Telecommunications Bureau reports and actual FY 2006 payment units. |
| Cable Television Relay Service | Based on data from Media Bureau's COALS database and actual |

| | |
|---|---|
| CARS) Stations | FY 2006 payment units |
| able Television System subscribers | Based on publicly available data sources for estimated subscriber counts and actual FY 2006 payment units. |
| nterstate Telecommunication Service Providers | Based on actual FY 2006 interstate revenues reported on Telecommunications Reporting Worksheet, adjusted for FY 2007 revenue growth/decline for industry, and projections by the Wireline Competition Bureau. |
| Earth Stations | Based on International Bureau reports and actual FY 2006 payment units. |
| Space Stations (GSOs & NGSOs) | Based on International Bureau reports and actual FY 2006 payment units. |
| International Bearer Circuits | Based on International Bureau reports and actual FY 2006 payment units. |
| International HF Broadcast Stations, International Public Fixed Radio Service | Based on International Bureau reports and actual FY 2006 payment units. |

ATTACHMENT C

CALCULATION OF FY 2007 REVENUE REQUIREMENTS AND PRO-RATA FEES

Regulatory fees for the categories shaded in pay are collected by the Commission in advance to cover the term of the license and are submitted along with the application at the time the application is filed.

| Fee Category | FY 2007 Payment Units | Years | FY 2006 Revenue Estimate | Pro-Rated FY 2007 Revenue Requirement* | Computed New FY 2007 Regulatory Fee | Rounded New FY 2007 Regulatory Fee | Expected FY 2007 Revenue |
|--|-----------------------------|-------|--------------------------------|---|---|--|--------------------------------|
| PLMRS (Exclusive Use) | 1,250 | 10 | 440,000 | 426,300 | 34 | 35 | 437,500 |
| PLMRS (Shared use) | 15,500 | 10 | 2,500,000 | 2,422,162 | 16 | 15 | 2,325,000 |
| Microwave | 4,350 | 10 | 1,700,000 | 1,647,070 | 38 | 40 | 1,740,000 |
| 218-219 MHz (Formerly IVDS) | 3 | 10 | 1,650 | 1,599 | 53 | 55 | 1,650 |
| Marine (Ship) | 8,000 | 10 | 800,000 | 775,092 | 10 | 10 | 800,000 |
| GMRS | 16,000 | 5 | 425,000 | 411,768 | 5 | 5 | 400,000 |
| Aviation (Aircraft) | 8,800 | 10 | 300,000 | 290,659 | 3 | 5 | 440,000 |
| Marine (Coast) | 360 | 10 | 120,000 | 116,264 | 32 | 30 | 108,000 |
| Aviation (Ground) | 1,650 | 10 | 150,000 | 145,330 | 9 | 10 | 165,000 |
| Amateur Vanity Call Signs | 14,700 | 10 | 177,116 | 171,601 | 1.17 | 1.17 | 171,990 |
| AM Class A | 68 | 1 | 217,350 | 210,428 | 3,095 | 3,100 | 210,800 |
| AM Class B | 1,567 | 1 | 2,619,500 | 2,534,141 | 1,617 | 1,625 | 2,546,375 |
| AM Class C | 937 | 1 | 921,500 | 890,541 | 950 | 950 | 890,150 |
| AM Class D | 1,705 | 1 | 3,095,750 | 2,994,982 | 1,757 | 1,750 | 2,983,750 |
| B1 & C3 | 3,027 | 1 | 6,519,500 | 6,311,615 | 2,085 | 2,075 | 6,281,025 |
| C, CO, C1 & C2 | 3,002 | 1 | 7,924,300 | 7,675,996 | 2,557 | 2,550 | 7,655,100 |
| Construction Permits | 65 | 1 | 37,525 | 26,003 | 400 | 400 | 26,000 |
| FM Construction Permits ¹ | 205 | 1 | 115,000 | 117,898 | 575 | 575 | 117,875 |
| Satellite TV | 125 | 1 | 141,450 | 137,046 | 1,096 | 1,100 | 137,500 |
| Satellite TV Construction Permit | 3 | 1 | 1,710 | 1,657 | 552 | 550 | 1,650 |

| Fee Category | FY 2007 Payment Units | Years | FY 2006 Revenue Estimate | Pro-Rated FY 2007 Revenue Require- ment* | Computed New FY 2007 Regulatory Fee | Rounded New FY 2007 Regula- tory Fee | Expected FY 2007 Revenue |
|---|-----------------------------|-------|--------------------------------|--|---|--|--------------------------------|
| VHF Markets 1-10 | 43 | 1 | 2,850,100 | 2,765,285 | 64,309 | 64,300 | 2,764,900 |
| VHF Markets 11-25 | 61 | 1 | 2,914,275 | 2,827,462 | 46,352 | 46,350 | 2,827,350 |
| VHF Markets 26-50 | 77 | 1 | 2,465,625 | 2,392,781 | 31,075 | 31,075 | 2,392,775 |
| VHF Markets 51-100 | 115 | 1 | 2,372,200 | 2,300,839 | 20,007 | 20,000 | 2,300,000 |
| VHF Remaining Markets | 198 | 1 | 1,045,200 | 1,012,657 | 5,114 | 5,125 | 1,014,750 |
| VHF Construction Permits | 3 | 1 | 30,600 | 15,371 | 5,126 | 5,125 | 15,375 |
| UHF Markets 1-10 | 91 | 1 | 1,846,750 | 1,787,645 | 19,644 | 19,650 | 1,788,150 |
| UHF Markets 11-25 | 76 | 1 | 1,528,000 | 1,478,819 | 19,458 | 19,450 | 1,478,200 |
| UHF Markets 26-50 | 115 | 1 | 1,284,075 | 1,242,489 | 10,804 | 10,800 | 1,242,000 |
| UHF Markets 51-100 | 168 | 1 | 1,092,000 | 1,056,977 | 6,292 | 6,300 | 1,058,400 |
| UHF Remaining Markets | 183 | 1 | 331,925 | 321,590 | 1,757 | 1,750 | 320,250 |
| UHF Construction Permits' | 22 | 1 | 33,725 | 38,517 | 1,751 | 1,750 | 38,500 |
| Broadcast Auxiliaries | 27,000 | 1 | 240,000 | 232,528 | 9 | 10 | 270,000 |
| LPTV/Trans- lators/Boosters/ Class A TV | 3,400 | 1 | 1,218,000 | 1,180,077 | 347 | 345 | 1,173,000 |
| CARS Stations | 780 | 1 | 148,750 | 144,119 | 185 | 185 | 144,300 |
| Cable TV Systems | 64,500,000 | 1 | 49,770,000 | 48,220,399 | 0.74760 | 0.75 | 48,375,000 |
| Interstate Tele- communication Service Providers | 51,000,000,000 | 1 | 140,184,000 | 135,819,336 | 0.00266312 | 0.00266 | 135,660,000 |
| CMRS Mobile Services (Cellular/Public Mobile) | 229,000,000 | 1 | 42,000,000 | 40,596,052 | 0.177 | 0.18 | 41,220,000 |
| CMRS Messag- Services | 7,500,000 | 1 | 520,000 | 600,077 | 0.08 | 0.08 | 600,000 |

| Fee Category | FY 2007 Payment Units | Years | FY 2006 Revenue Estimate | Pro-Rated FY 2007 Revenue Require- ment* | Computed New FY 2007 Regulatory Fee | Rounded New FY 2007 Regula- tory Fee | Expected FY 2007 Revenue |
|--|-----------------------------|-------|--------------------------------|--|---|--|--------------------------------|
| BRS ² | 1,300 | 1 | 485,925 | 425,139 | 327 | 325 | 422,500 |
| LMDS | 410 | 1 | 90,750 | 134,077 | 327 | 325 | 133,250 |
| International Bearer Circuits | 6,500,000 | 1 | 7,791,000 | 7,548,425 | 1.16 | 1.16 | 7,540,000 |
| International Public Fixed | 1 | 1 | 1,925 | 1,865 | 1,865 | 1,875 | 1,875 |
| Earth Stations | 3,900 | 1 | 752,500 | 729,071 | 187 | 185 | 721,500 |
| International HF Broadcast | 5 | 1 | 4,100 | 3,972 | 794 | 795 | 3,975 |
| Space Stations (Geostationary) | 86 | 1 | 9,693,975 | 9,392,151 | 109,211 | 109,200 | 9,391,200 |
| Space Stations (Non- Geostationary) | 6 | 1 | 721,350 | 698,891 | 116,482 | 116,475 | 698,850 |
| ***** Total Estimated Revenue to be Collected | | | 299,624,101 | 290,274,768 | | | 291,035,465 |
| ***** Total Revenue Requirement | | | 298,771,000 | 290,295,160 | | | 290,295,160 |
| Difference | | | 853,101 | (20,392) | | | 740,305 |

* -0.028369018 factor applied based on the amount Congress designated for recovery through regulatory fees (Public Law 109-108 and 47 U.S.C. § 159(a)(2)).

¹ The AM and FM Construction Permit revenues and the VHF and UHF Construction Permit revenues were adjusted to set the regulatory fee to an amount no higher than the lowest licensed fee for that class of service.

² MDS/MMDS category was renamed Broadband Radio Service (BRS). See Amendment ~~of~~ Parts 1, 21, 73, 74 and 101 ~~of~~ the Commission's Rules to Facilitate the Provision ~~of~~ Fixed and Mobile Broadband Access, Educational and Other Advanced Services in the 2150-2162 and 2500-2690 MHz Bands, Report & Order and Further Notice of Proposed Rulemaking, 19 FCC Rcd 14165, 14169, ¶ 6 (2004) (R&O and FNPRM).

ATTACHMENT D

PROPOSED FY 2007 SCHEDULE OF REGULATORY FEES

Regulatory fees for the categories shaded in gray are collected by the Commission in advance to cover the term of the license and are submitted along with the application at the time the application is filed.

| Fee Category | Annual Regulatory Fee (U.S. \$'s) |
|--|---|
| PLMRS (per license) (Exclusive Use) (47 CFR part 90) | 35 |
| Microwave (per license) (47 CFR part 101) | 40 |
| 218-219 MHz (Formerly Interactive Video Data Service) (per license) (47 CFR part 95) | 55 |
| Marine (Ship) (per station) (47 CFR part 80) | 10 |
| Marine (Coast) (per license) (47 CFR part 80) | 30 |
| General Mobile Radio Service (per license) (47 CFR part 95) | 5 |
| Rural Radio (47 CFR part 22) (previously listed under the Land Mobile category) | 15 |
| PLMRS (Shared Use) (per license) (47 CFR part 90) | 15 |
| Aviation (Aircraft) (per station) (47 CFR part 87) | 5 |
| Aviation (Ground) (per license) (47 CFR part 87) | 10 |
| Amateur Vanity Call Signs (per call sign) (47 CFR part 97) | 1.17 |
| CMRS Mobile/Cellular Services (per unit) (47 CFR parts 20, 22, 24, 27, 80 and 90) | .18 |
| CMRS Messaging Services (per unit) (47 CFR parts 20, 22, 24 and 90) | .08 |
| Broadband Radio Service (formerly MMDS/ MDS) (per license) (47 CFR part 21) | 325 |
| Local Multipoint Distribution Service (per call sign) (47 CFR, part 101) | 325 |
| AM Radio Construction Permits | 400 |
| FM Radio Construction Permits | 575 |
| TV (47 CFR part 73) VHF Commercial | |
| Markets 1-10 | 64,300 |
| Markets 11-25 | 46,350 |
| Markets 26-50 | 31,075 |
| Markets 51-100 | 20,000 |
| Remaining Markets | 5,125 |
| Construction Permits | 5,125 |

| Fee Category | Annual Regulatory Fee (U.S. \$'s) |
|--|---|
| | |
| Markets 1-10 | 19,650 |
| Markets 11-25 | 19,450 |
| Markets 26-50 | 10,800 |
| Markets 51-100 | 6,300 |
| Remaining Markets | 1,750 |
| Construction Permits | 1,750 |
| Satellite Television Stations (All Markets) | 1,100 |
| Construction Permits – Satellite Television Stations | 550 |
| Low Power TV, Class A TV, TV/FM Translators & Boosters (47 CFR part 74) | 345 |
| Broadcast Auxiliaries (47 CFR part 74) | 10 |
| CARS (47 CFR part 78) | 185 |
| Cable Television Systems (per subscriber) (47 CFR part 76) | .75 |
| Interstate Telecommunication Service Providers (per revenue dollar) | .00266 |
| Earth Stations (47 CFR part 25) | 185 |
| Deep Space Stations (per operational station in geostationary orbit) (47 CFR part 25) also includes DBS Service (per operational station) (47 CFR part 100) | 1,100 |
| Space Stations (per operational station in non-geostationary orbit) (47 CFR part 25) | 116,475 |
| International Bearer Circuits (per active 64KB circuit) | 1.16 |
| International Public Fixed (per call sign) (47 CFR part 23) | 1,875 |
| International (HF) Broadcast (47 CFR part 73) | 795 |

FY 2007 SCHEDULE OF REGULATORY FEES (continued)

| FY 2007 RADIO STATION REGULATORY FEES | | | | | | |
|--|-------------------|-------------------|-------------------|-------------------|----------------------------------|---|
| Population Served | AM Class A | AM Class B | AM Class C | AM Class D | FM Classes A, B1 & C3 | FM Classes B, C, C0, C1 & C2 |
| <=25,000 | 625 | 475 | 400 | 475 | 575 | 72. |
| 25,001 – 75,000 | 1,225 | 925 | 600 | 725 | 1,150 | 1,250 |
| 75,001 – 150,000 | 1,825 | 1,150 | 800 | 1,200 | 1,600 | 2,300 |
| 150,001 – 500,000 | 2,750 | 1,950 | 1,200 | 1,425 | 2,475 | 3,000 |
| 500,001 – 1,200,000 | 3,950 | 2,975 | 2,000 | 2,375 | 3,900 | 4,400 |
| 1,200,001 – 3,000,00 | 6,075 | 4,575 | 3,000 | 3,800 | 6,350 | 7,020 |
| >3,000,000 | 7,275 | 5,475 | 3,800 | 4,750 | 8,075 | 9,120 |

ATTACHMENT E

FACTORS, MEASUREMENTS AND CALCULATIONS THAT GO INTO DETERMINING STATION SIGNAL CONTOURS AND ASSOCIATED POPULATION COVERAGES**AM Stations**

For stations with nondirectional daytime antennas, the theoretical radiation was used at all azimuths. For stations with directional daytime antennas, specific information on each day tower; including field ratio, phasing, spacing and orientation was retrieved, as well as the theoretical pattern root-mean-square of the radiation in all directions in the horizontal plane (RMS) figure milliVolt per meter (mV/m) @ 1 km for the antenna system. The standard, or modified standard if pertinent, horizontal plane radiation pattern was calculated using techniques and methods specified in §§73.150 and 73.152 of the Commission's rules.²⁶¹ Radiation values were calculated for each of 360 radials around the transmitter site. Next, estimated soil conductivity data was retrieved from a database representing the information in FCC Figure R3²⁶². Using the calculated horizontal radiation values, and the retrieved soil conductivity data, the distance to the principal community (5 mV/m) contour was predicted for each of the 360 radials. The resulting distance to principal community contours were used to form a geographical polygon. Population counting was accomplished by determining which 2000 block centroids were contained in the polygon. (A block centroid is the center point of a small area containing population as computed by the U.S. Census Bureau.) The sum of the population figures for all enclosed blocks represents the total population for the predicted principal community coverage area.

FM Stations

The greater of the horizontal or vertical effective radiated power (ERP) (kW) and respective height above average terrain (HAAT) (m) combination was used. Where the antenna height above mean sea level (HAMSL) was available, it was used in lieu of the average HAAT figure to calculate specific HAAT figures for each of 360 radials under study. Any available directional pattern information was applied as well, to produce a radial-specific ERP figure. The HAAT and ERP figures were used in conjunction with the Field Strength (50-50) propagation curves specified in 47 C.F.R. § 73.313 of the Commission's rules to predict the distance to the principal community (70 dBu (decibel above 1 microVolt per meter) or 3.17 mV/m) contour for each of the 360 radials.²⁶³ The resulting distance to principal community contours were used to form a geographical polygon. Population counting was accomplished by determining which 2000 block centroids were contained in the polygon. The sum of the population figures for all enclosed blocks represents the total population for the predicted principal community coverage area.

²⁶¹ 47 C.F.R. §§ 73.150 and 73.152

²⁶² See *Map of Estimated Effective Ground Conductivity in the United States*, 47 C.F.R. § 73.190 Figure R3.

²⁶³ 47 C.F.R. § 73.313.

| Fee Category | Annual Regulatory Fee (U.S. \$'s) |
|---|---|
| LMRS (per license) (Exclusive Use) (47 CFR part 90) | 20 |
| microwave (per license) (47 CFR part 101) | 85 |
| 18-219 MHz (Formerly Interactive Video Data Service) (per license) (47 CFR part 95) | 55 |
| Marine (Ship) (per station) (47 CFR part 80) | 10 |
| Marine (Coast) (per license) (47 CFR part 80) | 20 |
| General Mobile Radio Service (per license) (47 CFR part 95) | 5 |
| Marine Radio (47 CFR part 22) (previously listed under the Land Mobile category) | 10 |
| LMRS (Shared Use) (per license) (47 CFR part 90) | 10 |
| Aviation (Aircraft) (per station) (47 CFR part 87) | 5 |
| Aviation (Ground) (per license) (47 CFR part 87) | 10 |
| Amateur Vanity Call Signs (per call sign) (47 CFR part 97) | 2.08 |
| LMRS Mobile/Cellular Services (per unit) (47 CFR parts 20, 22, 24, 27, 80 and 90) | .20 |
| LMRS Messaging Services (per unit) (47 CFR parts 20, 22, 24 and 90) | .08 |
| Multipoint Distribution Services (MMDS/ MDS) (per license sign) (47 CFR part 101) | 275 |
| Local Multipoint Distribution Service (per call sign) (47 CFR, part 101) | 275 |
| AM Radio Construction Permits | 395 |
| FM Radio Construction Permits | 575 |
| TV (47 CFR part 73) VHF Commercial | |
| Markets 1-10 | 64,775 |
| Markets 11-25 | 47,715 |
| Markets 26-50 | 32,815 |
| Markets 51-100 | 20,450 |
| Remaining Markets | 5,025 |
| Construction Permits | 3,400 |
| TV (47 CFR part 73) UHF Commercial | |
| Markets 1-10 | 20,750 |
| Markets 11-25 | 19,100 |

| Fee Category | Annual Regulatory Fee (U.S. \$'s) |
|---|---|
| Markets 26-50 | 10,915 |
| Markets 51-100 | 6,500 |
| Remaining Markets | 1,775 |
| Construction Permits | 1,775 |
| Satellite Television Stations (All Markets) | 1,150 |
| Construction Permits – Satellite Television Stations | 570 |
| Low Power TV, TV/FM Translators & Boosters (47 CFR part 74) | 420 |
| Broadcast Auxiliary (47 CFR part 74) | 10 |
| CARS (47 CFR part 78) | 175 |
| Cable Television Systems (per subscriber) (47 CFR part 76) | .79 |
| Interstate Telecommunication Service Providers (per revenue dollar) | .00264 |
| Earth Stations (47 CFR part 25) | 215 |
| Space Stations (per operational station in geostationary orbit) (47 CFR part 25) also includes Direct Broadcast Satellite Service (per operational station) (47 CFR part 100) | 111,425 |
| Space Stations (per operational system in non-geostationary orbit) (47 CFR part 25) | 120,225 |
| International Bearer Circuits (per active 64KB circuit) | 1.47 |
| International Public Fixed (per call sign) (47 CFR part 23) | 1,925 |
| International (HF) Broadcast (47 CFR part 73) | 820 |

FY 2006 SCHEDULE OF REGULATORY FEES (continued)

| FY 2006 RADIO STATION REGULATORY FEES | | | | | | |
|---------------------------------------|------------|------------|------------|------------|-----------------------|------------------------------|
| Population Served | AM Class A | AM Class B | AM Class C | AM Class D | FM Classes A, B1 & C3 | FM Classes B, C, C0, C1 & C2 |
| <=25,000 | 625 | 500 | 400 | 475 | 575 | 750 |
| 25,001 – 75,000 | 1,225 | 950 | 600 | 725 | 1,150 | 1,325 |
| 75,001 – 150,000 | 1,850 | 1,200 | 800 | 1,200 | 1,575 | 2,450 |
| 150,001 – 500,000 | 2,775 | 2,025 | 1,200 | 1,425 | 2,450 | 3,200 |
| (1500,001–1,200,000 | 4,0001 | 3,1001 | 2,000) | 2,3751 | 3,875 | 4,700 |
| 11,200,001 – 3,000,00 | 6,150) | 4,7501 | 3,0001 | 3,8001 | 6,325 | 7,500 |
| >3,000,000 | 7,375 | 5,700 | 3,800 | 4,750 | 8,050 | 9,750 |